

**Sec. 9.** The Director of the Budget is authorized and empowered to transfer, as between the three institutions, the appropriations made in this act for the North Carolina School for the Deaf, the Eastern North Carolina School for the Deaf, and the Governor Morehead School, and as between the eight training schools under the jurisdiction of the Board of Juvenile Correction, the appropriations made to any of them, when in his opinion it shall be deemed to be in the best interest of the State.

**Sec. 10.** It is the intent of the General Assembly that funds appropriated herein to the State Board of Education for a Public Kindergarten Program be allocated to give first priority to continuation of State or Elementary and Secondary Education Act of 1965, Title III, federally-supported kindergarten classes conducted in a public school unit for the 1970-71 school year.

**Sec. 11.** It is the intention of this act that, as to new units except as herein authorized, no recommendations for establishment of additional units shall be made by the Department of Community Colleges in the absence of a showing of a clear and urgent need in a particular area of the State. It is the further intention of this act that it shall be the announced policy of the Department of Community Colleges that, as to capital improvement projects, no construction contracts may be let until it has been clearly established that funds are available for the related permanent equipment.

Funds appropriated herein to the State Board of Education, Department of Community Colleges, to purchase equipment for the Community Colleges institutions, (Code 18072) shall be permanent appropriations, and unexpended portions of these appropriations shall not revert to the General Fund at the end of the biennium.

**Sec. 12.** The Director of the Budget shall require that the Highway Fund, other special funds employing personnel and other operations employing personnel which are designated by the Governor and Advisory Budget Commission as self-supporting operations shall budget as a line item object of expenditure sufficient funds to pay their employer proportion of contributions to the Teachers' and State Employees' Retirement System as required by the act creating said system.

No part of the appropriations made in Section 2 of this act shall be used to supply the State's or employer's contribution for retirement system purposes or Social Security purposes with respect to the compensation of any State employee (1) whose compensation is paid out of receipts of any State institution or agency (other than gifts, including foundation funds), which receipts are deposited in institutional funds for the specific purpose of paying the compensation of such employee, or (2) who performs his duties for an operation or activity designated by the Director of the Budget as a self-supporting operation or activity, or (3) who performs his duties for an operation or activity not supported by an appropriation from the State General Fund. In those instances in which an employee's salary is paid in part from the General Fund or from gifts (including foundations) and in part from receipts of the State institution or agency (other than gifts, including foundation funds), which receipts are deposited in institutional funds for the specific purpose of paying part of the compensation of such State employee, the appropriations described above shall be used to pay a portion of the employer's contribution for retirement and social security equal to that proportion of the employee's total salary paid from the General Fund or from gifts (including foundations), and the remainder of the employer's contribution shall be paid from the same sources as supply the remainder of such employee's salary. It is the intent and purpose of this act that, when retirement system or social security matching funds are required to be made on behalf of the State as an